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RUEKJCS/SECDEF WASHINGTON DC  
RUEPINS/HQ BICE INTEL WASHINGTON DC

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SIPDIS  
OTTAWA FOR LORI BALBI

E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [CA](#)

SUBJECT: BLUE LANTERN LEVEL 3: POST-SHIPMENT END-USE CHECK  
ON THE EXPORT OF U.S. DEFENSE ARTICLES CITING THE CANADIAN  
EXEMPTION

REF: 2006 BLUE LANTERN GUIDEBOOK

¶1. This is an Action Request. See paragraphs 2-4.

¶2. The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Embassy's assistance in conducting a post-shipment check on transactions citing the Canadian exemption (part 126.5 of the International Traffic in Arms Regulations - ITAR) for the export of electronic component parts to Canada. Embassy is requested to complete this Blue Lantern check within 45 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

¶3. Reason for request: end-user Ensil International appears on the DTCC Watchlist; also vague/incomplete description of commodity and end-use in export filing; the Automated Export System (AES) filing data indicates exports of electronic component parts while the United States Munitions List (USML) category cited indicates aircraft and/or related component parts. The company has not previously been the subject of a Blue Lantern.

¶4. ACTION OTTAWA: Mission Canada is requested to make inquiries with appropriate officials to establish the bona fides of end-user Ensil International and to obtain all relevant details of the export of electronic component parts to Canada citing the Canadian exemption, including the exact description, number, type, dollar value, and serial number of items. PM/DTCC also requests that post conducts a site visit to the company in order to provide Department with an assessment of its business operations and on-site security. Finally, post is asked to assess whether the company appears to be a reliable recipient of USML items. If a site visit is not possible, please inform the PM/DTCC officer.

The following questions are provided as suggested guidance:

--What were the exact USML articles exported to you?

--What is the exact end-use for these USML items? Will Ensil International retain positive control over the electronic component parts at all times? Will they be transferred to other end-users in Canada or re-exported?

--Does the company have secure facilities and proper accounting and security procedures for handling sensitive USML items?

--When was the company established and who are its principals?

--What is the nature of the company's business? Have they previously sought defense articles on the USML?

--What type of organizations are among its typical customers and where are the customers located?

--Does the company understand the restrictions on USML items, especially the prohibition against unauthorized re-transfer and re-export?

END ACTION.

15. Details of the AES filings:

--EXPORT 1 - QUANTITY/COMMODITY:

Quantity not provided

Commodity - P/N:RVGTAYSA251A Resistor

Stated Value: USD 400.00

Export Date - 16 October 2007

ITAR Exemption Number - 126.5B

Filer Identification Number - 52082586

Shipping Reference Number - INV126857

Export Identification Code - 52068258600

--EXPORT 2 - QUANTITY/COMMODITY:

Quantity not provided

Commodity - P/N:7893459-001 Cable, Radio

Stated Value: USD 75.00

Export Date - 16 October 2007

ITAR Exemption Number - 126.5B

Filer Identification Number - 52082586

Shipping Reference Number - INV126857

Export Identification Code - 52068258600

U.S. EXPORTER:

Associated Aircraft Manufacturing  
784 NW 57th Court  
Fort Lauderdale, FL 33309  
POC is Bergevin, Tel. 954-772-6606

ULTIMATE CONSIGNEE

Ensil International  
205 Torbay Rd.  
Markham, Canada L3R3W4  
POC is Bashari, Tel. 800-265-0009

16. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. PM/DTCC can fax documentation to post upon request. POC is Tim Mazzarelli, Phone: 202-663-3867; Email: MazzarelliTP@state.gov; SIPRNET: MazzarelliTP@state.sgov.gov.

The Blue Lantern Guidebook (ref) is available as a PDF file in the Bunche Library's E-Book Collection on the DOS Intranet: <http://buncheelectroniclibrary.state.gov/ebooks/BlueLanternGuidebook2006%20final.pdf>

17. Department is grateful for post's assistance in this matter.

CLINTON